

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

TAMARIS MASSENGALE,

Defendant.

CR No. 2:23-cr-00438-JAK

I N F O R M A T I O N

[18 U.S.C. § 371: Conspiracy to
Commit Wire Fraud]

The United States Attorney charges:

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Information:

Defendant and the Relevant Entities

1. Defendant TAMARIS MASSENGALE was a resident of Lancaster, California.

2. Co-Conspirator Amber Singleton, also known as ("aka") "Crystal Kelly," aka "Rebecca Lee," aka "Rebecca A Lee," aka "Rebecca Ann Lee," aka "Mia Lockett," aka "Mia Peire Lockett," aka "Crystal McClellan," was a resident of Canyon Lake, California.

3. Co-Conspirator Emanuel Tucker was a resident of Canyon Lake, California, where he lived with Singleton.

1 4. Company 1 was a Wyoming-based corporation that specialized
2 in selling aged "shelf companies" (i.e., companies that were created
3 and existed without any operations but provided the imprimatur of an
4 established entity) that were incorporated in New Mexico, Montana,
5 and Wyoming. The shelf companies were home-based businesses that were
6 entirely owned by one person. Upon receipt of an application and
7 payment for an aged shelf company, Company 1 provided various
8 documents and services for each aged shelf company it sold, including
9 Articles of Incorporation/Organization, a Certificate of Good
10 Standing, an operating agreement and bylaws, and registered-agent
11 services until the year following the year the shelf company was
12 purchased.

13 5. Between in or around February 2020 and in or around May
14 2020, defendant MASSENGALE, with the assistance of Co-Conspirators
15 Singleton and Tucker, and others, purchased aged shelf companies from
16 Company 1, including Order America Inc., a Wyoming company, and
17 Distribugo Inc., a Montana company (collectively, the "Shelf
18 Companies").

19 The Paycheck Protection Program

20 6. The Coronavirus Aid, Relief, and Economic Security
21 ("CARES") Act was a federal law enacted in or around March 2020 that
22 was designed to provide emergency financial assistance to Americans
23 suffering economic harm as a result of the COVID-19 pandemic. One
24 form of assistance provided by the CARES Act was the authorization of
25 United States taxpayer-funded forgivable loans to small businesses
26 for job retention and certain other expenses, through a program
27 referred to as the Paycheck Protection Program ("PPP").
28

1 7. In order to obtain a PPP loan, a qualifying business was
2 required to submit a PPP loan application signed by an authorized
3 representative of the business. The PPP loan application required
4 the small business (through its authorized representative) to
5 acknowledge the program rules and make certain affirmative
6 certifications in order to be eligible to obtain the PPP loan. One
7 such certification required the applicant to affirm that "[t]he [PPP
8 loan] funds w[ould] be used to retain workers and maintain payroll or
9 make mortgage interest payments, lease payments, and utility
10 payments." The applicant (through its authorized representative) was
11 also required to acknowledge that "I understand that if the funds are
12 used for unauthorized purposes, the federal government may pursue
13 criminal fraud charges." In the PPP loan application, the applicant
14 was required to state, among other things, its: (a) average monthly
15 payroll expenses; and (b) number of employees. These figures were
16 used to calculate the amount of money the small business was eligible
17 to receive under the PPP. In addition, the applicant was required to
18 provide documentation showing its payroll expenses.

19 8. A business's PPP loan application was received and
20 processed, in the first instance, by a participating financial
21 institution approved by the United States Small Business
22 Administration ("SBA"). If a PPP loan application was approved, the
23 participating financial institution funded the PPP loan using its own
24 monies. The SBA guaranteed the loans funded under the PPP.

25 9. PPP loan proceeds were required to be used by the business
26 on certain permissible expenses, namely, payroll costs, interest on
27 mortgages, rent, and utilities. The PPP allowed the interest and
28 principal on the PPP loan to be entirely forgiven if the business

1 spent the loan proceeds on these expenses within a designated period
2 of time and used at least a minimum amount of the PPP loan proceeds
3 towards payroll expenses.

4 10. The PPP also allowed certain eligible borrowers that had
5 previously received a PPP loan to apply for a second PPP loan, with
6 the same general loan terms as their first PPP loan. These "second-
7 round" loans could be used for the same purposes as were permitted
8 for the first PPP loans, including payroll costs, interest on
9 mortgages, rent, and utilities.

10 The Economic Injury Disaster Loan Program

11 11. The Economic Injury Disaster Loan Program ("EIDL") was an
12 SBA program that provided low-interest financing to small businesses,
13 renters, and homeowners in regions affected by declared disasters.

14 12. The CARES Act authorized the SBA to provide EIDL loans of
15 up to \$2 million to eligible small businesses experiencing
16 substantial financial disruption due to the COVID-19 pandemic.

17 13. To obtain an EIDL loan, a qualifying business was required
18 to submit an application to the SBA and provide information about the
19 business's operations, such as the number of employees, gross
20 revenues for the 12-month period preceding the disaster, and cost of
21 goods sold in the 12-month period preceding the disaster. In the
22 case of EIDL loans for COVID-19 relief, the 12-month period was the
23 12-month period from January 31, 2019, to January 31, 2020. The
24 applicant was also required to certify that all of the information in
25 the application was true and correct to the best of the applicant's
26 knowledge.

27 14. EIDL loan applications were submitted directly to the SBA
28 and processed by the agency with support from a government

1 contractor. If the application was approved, the amount of the loan
2 was based, in part, on the information provided by the applicant
3 about employment, revenue, and cost of goods sold. Any funds issued
4 under an EIDL loan were issued directly by the SBA.

5 15. EIDL loan funds could be used for payroll expenses, sick
6 leave, production costs, and business obligations, such as debts,
7 rent, and mortgage payments.

8 B. THE OBJECT OF THE CONSPIRACY

9 16. Beginning in or around February 2020 and continuing until
10 at least in or around April 2021, in Los Angeles, Orange, and
11 Riverside Counties, within the Central District of California, and
12 elsewhere, defendant MASSENGALE conspired with others known and
13 unknown to the United States Attorney to commit wire fraud, in
14 violation of Title 18, United States Code, Section 1343.

15 C. MANNER AND MEANS OF THE CONSPIRACY

16 17. The object of the conspiracy was to be carried out, and was
17 carried out, in substance, as follows:

18 a. Between in or around February 2020 and in or around
19 May 2020, defendant MASSENGALE, with the assistance of Co-
20 Conspirators Singleton and Tucker, and others, purchased the Shelf
21 Companies from Company 1 for the purpose of obtaining federal
22 government loans.

23 b. Defendant MASSENGALE, Co-Conspirator Singleton, and
24 others would submit and cause to be submitted electronic applications
25 for PPP and EIDL loans on behalf of companies that defendant
26 MASSENGALE owned and controlled, including the Shelf Companies that
27 defendant MASSENGALE and Co-Conspirator Singleton had previously
28 purchased from Company 1.

1 c. Defendant MASSENGALE, Co-Conspirator Singleton, and
2 others would knowingly make and cause to be made false statements to
3 financial institutions in connection with the applications for PPP
4 loans, including false statements about (i) the number of employees
5 at the relevant company; (ii) the amount of average monthly payroll
6 for those employees; (iii) the truth and accuracy of all the
7 information and documents submitted in or with the applications,
8 including attached Internal Revenue Service ("IRS") forms; and (iv)
9 the intended use of the loan proceeds, including false certifications
10 that the loan proceeds would be used for permissible business
11 purposes.

12 d. Defendant MASSENGALE, Co-Conspirator Singleton, and
13 others would knowingly make and cause to be made false statements to
14 the SBA in connection with the applications for EIDL loans, including
15 false statements about (i) the number of employees at the relevant
16 company; (ii) the gross revenue for the 12-month period preceding the
17 identified disaster; (iii) the cost of goods sold in the 12-month
18 period preceding the identified disaster; (iv) the truth and accuracy
19 of all the information and documents submitted in or with the
20 applications; and (v) the intended use of the loan proceeds,
21 including false certifications that the loan proceeds would be used
22 for permissible business purposes, certifying to the SBA under
23 penalty of perjury to "use all the proceeds" of the loans "solely as
24 working capital to alleviate economic injury caused by disaster"
25 consistent with the terms and limitations of the EIDL program.

26 e. After the financial institutions and the SBA funded
27 the applied-for PPP and EIDL loans, respectively, defendant
28 MASSENGALE, Co-Conspirator Singleton, and their co-conspirators would

1 transfer and cause to be transferred the proceeds of the fraudulently
2 obtained loans to bank accounts in their control.

3 f. Defendant MASSENGALE would then transfer portions of
4 the loan proceeds obtained as a result of the fraudulent applications
5 to Co-Conspirators Singleton and Tucker in the form of "kickback"
6 payments.

7 g. Defendant MASSENGALE, Co-Conspirator Singleton, and
8 other co-conspirators would use the fraudulently obtained PPP and
9 EIDL loan proceeds for their own personal benefit in a manner
10 inconsistent with the requirements of the PPP and EIDL programs.

11 18. In total, between in or around April 2020 and in or around
12 April 2021, Co-Conspirator Singleton, and others, with the knowledge
13 and consent of defendant MASSENGALE, submitted and caused the
14 submission of at least five false and fraudulent PPP and EIDL loan
15 applications listing defendant MASSENGALE as the owner of the
16 applicant companies, and transmitted these applications via
17 interstate wires to the SBA and participating financial institutions,
18 resulting in the funding and disbursement of approximately
19 \$644,433.50 in loan proceeds.

20 D. OVERT ACTS

21 19. On or about the following dates, in furtherance of the
22 conspiracy and to accomplish its object, defendant MASSENGALE, Co-
23 Conspirator Singleton, and others, committed the following overt
24 acts, among others, in Los Angeles, Orange, and Riverside Counties,
25 within the Central District of California, and elsewhere:

26 Overt Act No. 1: On May 1, 2020, defendant MASSENGALE, Co-
27 Conspirator Singleton, and others filed and caused to be filed with a
28 financial institution a PPP loan application seeking \$187,493 on

1 behalf of TMK Administrative Consultant LLC, falsely representing
2 that TMK Administrative Consultant LLC had nine employees and average
3 monthly payroll of \$74,997.

4 Overt Act No. 2: On May 14, 2020, defendant MASSENGALE, Co-
5 Conspirator Singleton, and others filed and caused to be filed with a
6 financial institution a PPP loan application seeking \$30,248 on
7 behalf of Order America Inc., falsely representing that Order America
8 Inc. had six employees and average monthly payroll of \$12,100.

9 Overt Act No. 3: On June 17, 2020, defendant MASSENGALE, Co-
10 Conspirator Singleton, and others filed and caused to be filed with
11 the SBA an EIDL application in the name of TMK Administrative
12 Consultant LLC, falsely indicating that TMK Administrative Consultant
13 LLC had ten employees as of January 1, 2020, and gross revenues in
14 the amount of \$259,000 from January 31, 2019 to January 31, 2020.

15 Overt Act No. 4: On June 21, 2020, defendant MASSENGALE, Co-
16 Conspirator Singleton, and others filed and caused to be filed with
17 the SBA an EIDL application in the name of Order America Inc.,
18 falsely representing that Order America Inc. had six employees as of

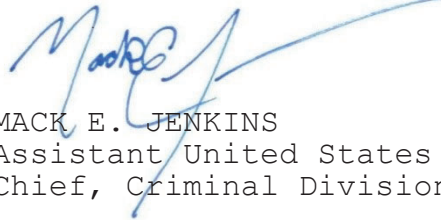
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January 1, 2020, and gross revenues in the amount of \$710,000 from January 31, 2019, to January 31, 2020.

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